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M E M O R A N D U M

TO: All Retirement Boards

FROM: Joseph I. Martin, Deputy Executive Director

RE: Tobacco Company List

DATE: July 13, 2001

On October 22, 1997 PERAC Memo #37/1997 informed you of the adoption of Chapter 119 of the Acts of 1997. That statute prohibits retirement systems from making any new investments in stocks, securities, or other obligations of any company which derives more than 15% of its revenue from the sale of tobacco products. On December 18, 1997 PERAC sent Memo #48 regarding the implementation of Chapter 119 and the first Tobacco Company List.

Enclosed please find a Tobacco Company List dated July 1, 2001. This list replaces any other Tobacco Company List previously sent to your board and is effective upon receipt by the retirement boards. Most of these companies appeared on previous lists and such investments were prohibited from the time the companies first appeared on the list. Please forward a copy to your investment advisors or inform them that this list is available on the PERAC Home Page under the Investment Unit's 2001 Memo Index.

As part of its audit process, PERAC will assess the portfolio of each board to determine compliance. That review will determine if the board, after January 13, 1998, has purchased stock, securities, or other obligations of any company which derives more than 15% of its revenue from the sale of tobacco products. In the event a portfolio is not in compliance, the board must bring the portfolio into compliance by divesting in a prudent manner. Prior to taking any action, the board shall consult with PERAC.

In applying the statute to pooled funds, PERAC will assess the 15% rule against the entire pool as the board is purchasing shares in the pool not the individual holdings of the pool. Thus a pooled fund, if in violation of this standard, will be included on the list.

If you have any questions, please call Robert Dennis, Investment Director at 617-666-4446 ext. 922.

TOBACCO COMPANY LIST
July 1, 2001

<u>COMPANY</u>	<u>COUNTRY</u>
7-Eleven, Inc.	United States
AMCON Distributing Company	United States
Caribbean Cigar Company	United States
Dairy Mart Convenience Stores, Inc.	United States
DCGR International Holdings	United States
Dimon Inc.	United States
Duty Free International, Inc.	United States
Energy Control Technology, Inc.	United States
Evolve One, Inc.	United States
Grand Havana Enterprises, Inc.	United States
Havana Group, Inc.	United States
Havana Republic, Inc.	United States
iCommerce Group, Inc.	United States
Loews Corporation	United States
M&F Worldwide Corporation	United States
Niche Resources, Inc.	United States
Noble Brands, Inc.	United States
North Atlantic Trading Company	United States
The Pantry, Inc.	United States
Philip Morris Companies Inc.	United States
R.J. Reynolds Tobacco Holdings, Inc.	United States
Reliant Interactive Media Corporation	United States
Schweitzer-Mauduit International, Inc.	United States
Signature Brands, Inc.	United States
Standard Commercial Corporation	United States
Star Scientific Inc.	United States
Tamboril Cigar Company	United States
Uni-Marts, Inc.	United States
Universal Corp.	United States
UST Inc.	United States
Vector Group, Ltd.	United States
Massalin Particulares SA	Argentina
Nobleza-Piccardo SA	Argentina
Austria Tabakwerke AG	Austria
Alpha Tobacco Manufacturing Co. Ltd.	Bangladesh
British-American Tobacco Bangladesh Co. Ltd.	Bangladesh

COMPANYCOUNTRY

Souza Cruz SA

Brazil

Rothmans, Inc.
Ultimate Direct Co.Canada
Canada

Compania Chilena de Tabacos SA

Chile

Wuxi Taiji Industry Limited Corporation

China

Coltabaco (Compania Colombiana de Tabaco SA)

Colombia

Tvornica Duhana Zagreb

Croatia

Philip Morris CR

Czech Republic

Eastern Tobacco Company

Egypt

Seita SA

France

British American Tobacco (Ghana)

Ghana

Karelia Tobacco Co. SA
Keranis Cigarette Company
Papastratos Cigarette SAGreece
Greece
Greece

Tabacalera Hondurena

Honduras

Godfrey Phillips India Ltd.
GTC Industries Ltd.
I.T.C. Ltd.
Kothari Products Limited
Raghunath Tobacco
VST Industries Ltd.India
India
India
India
India
IndiaHM Sampoerna PT
PT B.A.T. Indonesia
PT Gudang Garam TbkIndonesia
Indonesia
IndonesiaDubek Ltd.
Jerusalem Cigarette CompanyIsrael
Israel

Carreras Group Ltd.

Jamaica

Japan Tobacco Inc.

Japan

COMPANYCOUNTRY

International Tobacco & Cigarette Company Ltd.	Jordan
Jordan Tobacco & Cigarette Co. Ltd.	Jordan
Union Tobacco	Jordan
British American Tobacco Kenya, Ltd.	Kenya
British American Tobacco Bhd	Malaysia
JT International Bhd	Malaysia
Grupo Carso SA	Mexico
Nigerian Tobacco Company Plc	Nigeria
Khyber Tobacco Company Ltd.	Pakistan
Lakson Tobacco Company Ltd.	Pakistan
Pakistan Tobacco Co. Ltd.	Pakistan
Sarhad Cigarette Industries Ltd.	Pakistan
Souvenir Tobacco Company Ltd.	Pakistan
Tobacco International Limited	Pakistan
Tabacalera Nacional SA	Peru
Philippine Tobacco Flue Curing & Redrying Corporation	Philippines
Pazur S.A.	Poland
Distell Group Limited	South Africa
Remgro Limited	South Africa
Korea Tobacco & Ginseng Corporation	South Korea
Altadis SA	Spain
Ceylon Tobacco Co. Ltd.	Sri Lanka
Swedish Match	Sweden
Compagnie Financiere Richemont AG	Switzerland
West Indian Tobacco Company Ltd.	Trinidad & Tobago
British American Tobacco, Plc	United Kingdom
Gallaher Group	United Kingdom
Imperial Tobacco Plc	United Kingdom
Molins Plc	United Kingdom

COMPANY

British American Tobacco (Zambia) Ltd.

British American Tobacco Zimbabwe, Ltd.

Rothmans of Pall Mall (Zimbabwe) Ltd.

T.S.L. Limited

COUNTRY

Zambia

Zimbabwe

Zimbabwe

Zimbabwe